



# PHILIP MORRIS

U.S.A.

120 PARK AVENUE, NEW YORK, N.Y. 10017-5592 TELEPHONE (212) 880-5000

June 20, 1996

Ms. Judy Siodmak  
Vice President, Marketing  
L.A. County Fair & Exposition Complex  
P.O. Box 2250  
Pomona, California 91769

## L.A. County Fair

Dear Ms. Siodmak:

This letter constitutes the agreement (the "Agreement") between Philip Morris Incorporated ("Philip Morris") and the L.A. County Fair & Exposition Complex ("Promoter"), regarding Philip Morris' sponsorship of the L.A. County Fair (the "Fair") to be held at the L.A. County Fair & Exposition Complex from September 6 through September 29, 1996, and presentation of three **MARLBORO Music Concerts** (the "Concerts") at the Fair on September 6, 7 and 8, 1996. The terms of the Agreement follow:

1. Sponsorship Rights. In consideration for Philip Morris providing talent (the "Artists") and production for each Concert, Promoter grants Philip Morris the following sponsorship rights:

(a) the exclusive right to conduct tobacco sales, branded incentive item distribution and name generation activities among smokers twenty-one years of age or older from two promotional kiosks and one 10' x 22' promotional tent, with electrical power provided by Promoter, at sites at the Fair to be mutually agreed upon by the parties. The promotional kiosks and the promotional tent will be provided by Philip Morris. Philip Morris' tobacco sales are limited to the promotional kiosks and the promotional tent (the profits, if any, earned from tobacco sales are to be donated to PH&G);

(b) the right to hang and display banners and signage on and around the promotional tent and promotional kiosks and in the area immediately surrounding the **MARLBORO Music** stage at the site of the Fair, including the race track tote board, during **MARLBORO Music** performances only;

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(c) the right to receive one hundred fifty complimentary Fair admission tickets for each of September 6, 7 and 8, 1996, and one hundred fifty complimentary parking passes for each of the aforementioned dates, which will be delivered to Philip Morris upon execution of the Agreement; and

(d) the right to recognition in advertising placed in connection with the Concerts and the Fair and the right to approve in advance all materials and announcements prepared by Promoter that mention Philip Morris, **MARLBORO** or **MARLBORO Music**; provided, however, that such approval is effected on a timely basis.

2. Philip Morris' Obligations. Philip Morris will:

(a) provide top name entertainment to perform at the Concerts, which will consist of "Country" talent for September 6 and 7, 1996, and "Hispanic" talent for September 8, 1996;

(b) provide the services of a third party talent buyer to book talent directly in order to control booking, fee and payment schedule. No other talent buyer will be utilized;

(c) provide the services of a third party production coordinator to control stage design and provide production and stage management, supervision and support to the Fair's Concert operating crew, if applicable;

(d) provide the services of a public relations agency to publicize the Concerts;

(e) use the **MARLBORO Music** logo and the title "**MARLBORO Music State Fair Tour**" in connection with the Concerts;

(f) provide free admission to the Concerts to purchasers of admission tickets to the Fair;

(g) not conduct any work or activities that will interfere with training on the horse track between the hours of 5:00 am to 10:00 am;

(h) provide local print advertising featuring the **MARLBORO Music** logo and the Fair logo for additional media support, with copy and artwork to be provided solely by Philip Morris; and

(i) provide copy and artwork for one full page advertisement in the "Official State Fair Program" to be produced by Promoter at no charge to Philip Morris.

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3. Promoter's Obligations. Promoter will:

- (a) provide complimentary secured parking for all buses, trucks and rental cars used by the Artists and the Artists' personnel, Philip Morris personnel and other personnel associated with the Concerts;
- (b) provide venue house security, and, under the direction of a third party engaged by Philip Morris to provide staffing requirements, provide backstage security;
- (c) provide complimentary on-site storage space, vendor parking and admission passes;
- (d) provide exclusive space sufficient for the operation of an on-site hospitality area for days of the Concerts only;
- (e) utilize the **MARLBORO Music** credentials in conjunction with the Fair credentials and identification for Philip Morris staff and talent to gain backstage access and parking (both such credentials to be worn at all times for access);
- (f) utilize the title "**MARLBORO Music State Fair Tour**," when referring to the tour and use the title, "**MARLBORO Music Featuring [Artist Name]**," when referring to the Concerts (such use not to constitute an endorsement by Philip Morris or the Fair);
- (g) adhere to any performance agreements with the Artists, including riders thereto, insofar as the general operations of the Concerts are concerned (Promoter will not incur any additional costs in connection with its adherence to performance agreements or riders thereto);
- (h) adhere to additional front stage portable seating requirements for the Concerts on the dirt portion of the race track at the site of the Fair. The cost of such additional seating will be the sole responsibility of Promoter;
- (i) contribute an aggregate of \$40,000 towards the production cost of the Concerts. Such amount will be paid by Promoter to See Factor Industry, Inc.; and
- (j) obtain all releases, licenses, permits, approvals, consents and other documents required in connection with the Fair and the Concerts and for the performance of Promoter's duties under the Agreement and advise Philip Morris in advance of any charges or fees that will be incurred in obtaining such releases, licenses, permits, approvals, consents or other documents.

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4. Term.

(a) The term of the Agreement will commence upon its execution, and will continue through the later of the last date of the Fair or Promoter's complete performance of its obligations under the Agreement to the reasonable satisfaction of Philip Morris. Philip Morris has the right to renew the Agreement, subject to the approval of Promoter, which approval will not be unreasonably withheld, if the Fair is held in 1997, upon written notice delivered by Philip Morris to Promoter on or before January 31, 1997. If Philip Morris elects to renew the Agreement, all terms and conditions of the Agreement will be applied to any renewal, with the exception of appropriate date changes and the provisions of Paragraph 3(i). The parties will negotiate such provisions in good faith and memorialize their agreement in a separate writing.

(b) If any federal, state, municipal or local law, regulation, ordinance, order, ruling, judgement, consent decree or other governmental action becomes effective that makes the promotion of tobacco products as contemplated by the Agreement unlawful, impracticable or, in the judgment of Philip Morris, materially reduces the value of the Agreement to Philip Morris, the Agreement may be terminated by Philip Morris as of the effective date of the law, regulation, ordinance, order, ruling, judgment, consent decree or action.

5. Exclusivity. Promoter will not enter into sponsorship agreements with any other manufacturer of cigarettes or other tobacco products, nor permit any signage or commercial identification of any other cigarettes or other tobacco products or tobacco product branded incentive items on site as a sponsor of the Fair or an as exhibitor in connection with the Fair or the Concerts, without the prior, written consent of Philip Morris, with the exception of PH&G, C&C Concessions and the Finish Line Gift Shop.

6. Independent Contractor. Promoter is and will remain an independent contractor and nothing in the Agreement will be construed to create a relation of principal and agent or employer and employee between Philip Morris and Promoter or any of Promoter's employees or agents within the meaning of any federal, state or local law. Except as specifically stated in the Agreement, Promoter will not enter into any agreement, oral or written, on behalf of Philip Morris or otherwise obligate Philip Morris without Philip Morris' prior, written approval.

7. The MARLBORO Name. Promoter will have no right, title or interest in or to the **MARLBORO** name or the slogans, designs or logo-types associated with **MARLBORO**, or **MARLBORO Music**, except the limited right to use pursuant to the Agreement. All use is subject to the advance approval of Philip Morris described in Paragraph 1(d).

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8. Confidentiality. Promoter, its employees and agents will hold strictly confidential the existence and terms of the Agreement and all information and materials provided by Philip Morris to Promoter or created or acquired by Promoter in performing its obligations under the Agreement. Promoter will not use or disclose the existence or terms of the Agreement, the information or materials, or any other confidential information without the prior, written consent of Philip Morris. Upon the termination or expiration of the Agreement, Promoter will return all materials to Philip Morris. Promoter's obligation to maintain confidentiality will survive the termination or expiration of the Agreement.

9. Insurance. Within thirty days after execution of the Agreement, Promoter, at its own expense, will provide to Philip Morris certificates of insurance issued by insurers acceptable to Philip Morris evidencing coverage for (i) comprehensive general liability, including advertisers', spectators', participants', host liquor and contractual liability, with a combined single limit of no less than \$5,000,000 per occurrence for bodily injury, including personal injury, and property damage; (ii) statutory workers' compensation coverage meeting all state and local requirements, including coverage for employers' liability with limits of no less than \$500,000; and (iii) comprehensive automobile liability for all owned, non-owned, and hired vehicles with bodily injury limits of no less than \$5,000,000 per person, \$5,000,000 per accident, and property damage limits of no less than \$5,000,000 per accident. The insurance certificates required by subparagraphs (i) and (iii) must name Philip Morris, its affiliates, employees and assigns as additional insureds and must state that Philip Morris will be provided at least thirty days' advance, written notice of a cancellation or modification of the insurance. The insurance required must be primary coverage without right of contribution from any other Philip Morris insurance. Insurance maintained by Philip Morris is for the exclusive benefit of Philip Morris and will not inure to the benefit of Promoter.

10. Indemnity.

(a) Promoter agrees to indemnify and hold harmless Philip Morris, its affiliates and each of their respective officers, employees, directors and agents from all claims, liabilities, costs or expenses, including reasonable attorneys' fees, that arise from or may be attributable to any error, omission or fault of Promoter. Promoter's obligation to indemnify and hold harmless will survive the termination or expiration of the Agreement.

(b) Philip Morris agrees to indemnify and hold harmless Promoter, its affiliates and each of their respective officers, employees, directors and agents from all claims, liabilities, costs or expenses, including reasonable attorneys' fees, that arise from or may be attributable to any error, omission or fault of Philip Morris. Philip Morris's obligation to indemnify and hold harmless will survive the termination or expiration of the Agreement.

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11. Third Party Contacts. If at any time Promoter is contacted by a third party, including media, other than as required by the terms of the Agreement, concerning Promoter's activities on behalf of Philip Morris, Promoter will make no comment, immediately notify Philip Morris of the third party contact and refer the third party to Philip Morris, Senior Vice President, Corporate Affairs.

12. Notices. Any notice given under the terms of the Agreement must be in writing and delivered by United States certified mail, return receipt requested, postage prepaid, and if to Promoter, at the address set forth above, Attention: Ms. Judy Siodmak, and if to Philip Morris, to Philip Morris Incorporated, 120 Park Avenue, New York, New York 10017, Attention: Vice President, Marketing Services.

13. Miscellaneous.

(a) The Agreement and all matters collateral hereto, will be governed by the laws of the State of California applicable to contracts made and to be performed entirely within the State of California.

(b) Force Majeure, acts of God, or other causes beyond the reasonable control of either party delaying or causing the cancellation or delay of the Fair or any Concert will not subject Promoter or Philip Morris to any liability hereunder, except if, and to the extent, otherwise specifically provided herein.

(c) The Agreement may not be modified or amended except by a writing signed by both parties. No waiver of a breach of any term or condition of the Agreement will be deemed a waiver of any subsequent breach of the term or condition or any other term or condition of the Agreement or a general waiver.

(d) The Agreement may not be assigned by either party without the written consent of the other party. If an assignment occurs, the assignment will not relieve the assigning party of its liabilities or obligations under the Agreement. The Agreement is binding upon successors and assignees of the parties.

(e) The Agreement sets forth the entire agreement between the parties and supersedes all previous oral or written agreements between the parties on the subject matter of the Agreement.

(f) If any provision of the Agreement is held invalid or unenforceable, the remaining provisions will remain in effect.

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(g) Each party hereto will comply with all applicable laws, regulations and ordinances affecting its activities hereunder, including the provisions of Title 15 U.S.C. §§ 1331 et seq.

If the foregoing accurately sets forth our understanding, please signify your acceptance and agreement by executing and returning the enclosed copies of this letter. We will forward one fully executed copy to you.

Very truly yours,

*Orum*  
**PHILIP MORRIS INCORPORATED**

By: \_\_\_\_\_

Title: \_\_\_\_\_

ACCEPTED AND AGREED AS OF  
THE DATE OF THIS LETTER:

**L.A. COUNTY FAIR & EXPOSITION COMPLEX**

By: \_\_\_\_\_  
Judy Siodmak

Title: \_\_\_\_\_

Taxpayer ID No.: \_\_\_\_\_

Filing Status: \_\_\_\_\_

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